

One great advantage of tax reductions, it is not just a matter of stimulating the economy, we do believe in economic growth and jobs. I think the more money that the people have, and it is not a matter of us affording the tax cuts, it is a matter of can the working folks pay for all the government we are giving them. The more you look at what tax cuts do for the economy, the more jobs that are created.

This is just the Standard and Poor's increase since we passed the latest round of tax reductions. Here is the Dow Jones increase. All these mean more jobs out there, more people paying into the system, and revenues will go up. But the best part is the money does not come to Washington, so we do not spend it.

I think that is something that we will continue to debate about, and I want to say this has made some progress tonight.

I did not know that we had abandoned the pay-go system that the gentleman from Texas (Mr. STENHOLM) had mentioned. I want to work with you on that.

The balanced budget amendment, it would be an awkward position for me to sign the discharge petition, but philosophically I do support it. I want to help you get that bill to the floor, and I want to pledge that.

I am glad we are all mutually interested in zero-based budgeting. Let us move in that direction.

Another issue, if we could get away from just the terminology "mandatory spending" and say, hey, that is automatic, we are too lazy to debate it year in and year out, nothing is mandatory for the U.S. Congress. That might be something that we can work together on.

The gentleman extended this debate invitation originally. Let me right here extend one to you, and let us schedule for next week or whenever we can do it.

With that, I yield back and thank the gentlemen for all participating.

Mr. TURNER of Texas. We thank the gentleman from Georgia (Mr. KINGSTON).

#### BLUE DOG ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, I will be happy to yield some of my time to anyone, but just a summary, and I appreciate the return gesture from the gentleman from Georgia (Mr. KINGSTON) regarding doing this again.

I wish we could do it every week, find a time to talk about not just perhaps this issue, but some of the other issues in which we have found ourselves in some very, very strict partisan differences.

Just a few clarifying comments. The first one is when I hear mandatory spending being out of control, since

when? Since when can 218 Members of the House of Representatives not control any spending that we wish to control?

I commend the gentleman from Michigan (Mr. SMITH). He is one of the few Members on either side of the aisle that has been willing to talk about Social Security and making some of the hard choices that have to go into eventually saving Social Security for my grandchildren. And I look forward to working with him on that endeavor. I wish we had had that on the floor last year. I wish we had it on the floor this year. I hope we have it on the floor next year. I get disturbed when we say we cannot do that again until after the 2004 elections. That bothers me because 2011 is getting awfully close to where we need to be.

Now, when my friends on the other side of the aisle come in and say that the Blue Dog budget raised taxes, that is not speaking the truth. Now, I want to be very careful on this. I like to quote Will Rogers when I hear some of these quotes. "It is not people's ignorance that bothers me so much. It is them knowing so much that ain't so—that is the problem."

And there were some statements that were made tonight that were just not true, and to stand here on the floor as we do in debate after debate and say the Blue Dogs raised taxes, we did not. We cut taxes. And to say that Blue Dogs spent more, we did not. We adopted the exact same spending levels that the gentleman from Iowa (Mr. NUSSLE) had in H.R. 95. And to say that we spent more, we spent less because we spent \$400 billion less on interest because we did not borrow that additional money to give it back to the people. Since when can we give back something we do not have?

Discretionary spending this year will hit the lowest level since I have been in the Congress. In fact, it will be the lowest level of discretionary spending since 1958. Now, that is a pretty good record if you want to control spending. But our point was that you cannot have it both ways. We have heard it that we want to have it both ways. I would say you want to have it both ways because you want to ignore the debt going up, but you want to talk about controlling spending. Well, if you are going to talk about that, then do it. But you do not have the votes to do it or you would have done it.

The enforcement is something that I know the gentleman from Iowa (Mr. NUSSLE) is not for. I know the gentleman from Texas (Mr. BARTON) is for it. And pay-go worked when we had it. When you came to the floor and you talked about increasing spending, you had to find someplace to find the money.

Well, the bottom line is this: We are in a direction of a train wreck; the perfect storm, as some have described it. How long can America keep buying \$500 billion from the rest of the world, more than the rest of the world is buying

from us, without the law of economics taking over? How long can we borrow \$400 or \$500 billion a year, which under the budget that we are now under that we did not vote for, that we object to, how long can we borrow \$300 billion without something happening to the economy of this country?

Now, everything is on track for November of 2004, but there is a lot of folks worrying about 2005. And I think we have a consensus here tonight from most of those that participated on both sides that we would like to work together to change the direction.

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The old rule of Confucius, of Garfield, or whoever it was that I like to give credit to, when you find yourself in a hole, the first rule is to quit digging; and it is very disturbing when week after week we continue to dig the deficit hole deeper, yes with tax cuts, yes with tax cuts, from money we do not have, and if you believe that that is any different in creating the deficit, then you are a supply-sider and you are a true supply-sider; but when we start talking to solve this problem, we have reached out the hand many times, but it has never been taken in the last 8 years, unless we happen to agree with a narrow band of thought that says supply side economics is the way to go and that the theory, the theory is if we just reduce the revenue we will starve government.

Spending on defense is spending. Spending on agriculture is spending. Spending on anything is spending, and total spending is going up more than our revenue.

#### A MEDICARE PRESCRIPTION DRUG PLAN IS NEEDED

The SPEAKER pro tempore (Mr. GERLACH). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I do not expect to use all the time unless I am joined by some of my Democratic colleagues, but the purpose of my being here this evening is to talk about the need for a Medicare prescription drug plan; and as my colleagues know, just before the break, before the July 4 break, we did here in the House pass a Republican Medicare prescription drug proposal and another bill was passed in the other body that was sponsored by the Republican leadership, and I just wanted to say as emphatically as I could this evening that I believe very strongly that neither of these proposals, which would now go to conference, that neither of these proposals accomplish the goal of providing America's seniors with a prescription drug benefit that is worth having.

I say that because I think it has to be understood that the effort to provide a prescription drug benefit is basically an effort to, in my opinion, or at least